

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ FILE X WATER SANDS _____ LOCATION INSPECTED _____ SUB. REPORT/abd _____DATE FILED 8-26-91

LAND: FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO.

INDIAN 14-20-H62-3009DRILLING APPROVED: 9-9-91 (CAUSE NO. 173-9)

SPUDDED IN:

COMPLETED: 7-20-93 LA PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: LAD Per BLM Eff. 7-20-93FIELD: NATURAL BUTTES

UNIT:

COUNTY: UINTAHWELL NO. SERAWOP #38API NO. 43-047-32093LOCATION 817' FSL FT. FROM (N) (S) LINE. 1256' FWLFT. FROM (E) (W) LINE. SW SW1/4 - 1/4 SEC. 34

TWP.

RGE.

SEC.

OPERATOR

TWP.

RGE.

SEC.

OPERATOR

8S

21E

34

CONOCO, INC.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. 14-20-H62-3009	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME Uintah & Ouray	
2. NAME OF OPERATOR CONOCO INC.		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR 851 WERNER COURT, CASPER, WYOMING 82601		8. FARM OR LEASE NAME Serawop	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface: 817' FSL, 1,256' FWL, (SW/SW) At proposed prod. zone: Same		9. WELL NO. 38	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 7.8 miles east of Ouray, Utah		10. FIELD AND POOL, OR WILDCAT Nat'l Buttes/Wasatch 630	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 817'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 34, T8S, R21E SLB&M	
16. NO. OF ACRES IN LEASE 320		12. COUNTY OR PARISH 13. STATE Uintah UT	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160		18. COUNTY OR PARISH 13. STATE Uintah UT	
19. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2,698'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4,678' (ungraded) GR		22. APPROX. DATE WORK WILL START* 10/01/91	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
22"	16"	65.0	0'-60'	65 sacks Class "G" (Est.)
12-1/4"	8-5/8"	24.0	0'-500'	350 sacks Class "G" (Est.)
7-7/8"	5-1/2"	17.0	0'-TD	1,000 sacks Class "G" (Est.)

It is proposed to drill Conoco Serawop No. 38 as a Wasatch gas producer.

All appropriate logs will be run. A BOP will be installed and function tested daily.

A subsequent report will be submitted upon completion of the project. A completion rig will be used for completion operations, and all conditions of this application will apply during such operations.

Conoco Inc. has current and correct Corporate Qualifications on file in Cheyenne, Wyoming office of the Bureau of Land Management required by WY-2800-39 (April 1981) covering Right-of-Way requirements. Reference W-56943 dated May 14, 1981.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

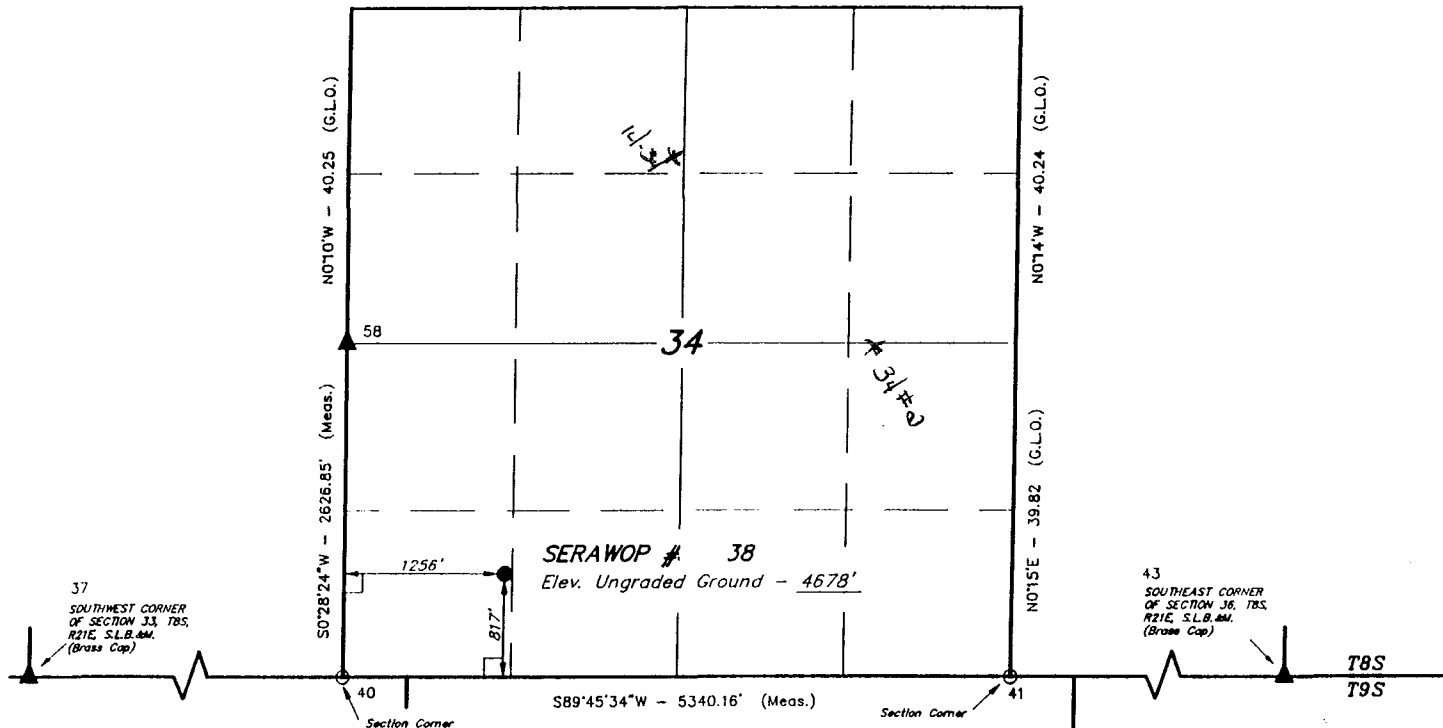
24. SIGNED <u>[Signature]</u> TITLE <u>Administrative Supervisor</u> DATE <u>08/20/91</u>	
(This space for Federal or State office use)	
PERMIT NO. <u>43-047-30093</u>	APPROVAL DATE <u>9/9/91</u>
APPROVED BY <u>[Signature]</u> TITLE <u>[Signature]</u>	
CONDITIONS OF APPROVAL, IF ANY:	

BLM-Vernal(3); UOGM(2); BIA(1) Tribal Council (1); AFE; BWG; LDJG: 173-9

*See Instructions On Reverse Side

T8S, R21E, S.L.B.&M.

S89°58'W - 40.36 (G.L.O.) S89°28'W - 40.39 (G.L.O.)



NOTE:

BASIS OF BEARINGS IS THE SOUTH LINE OF THE SW 1/4 OF SECTION 2, T9S, R21E, S.L.B.&M. WHICH IS ASSUMED FROM G.L.O. INFORMATION TO BEAR S89°52'E

▲ = SECTION CORNERS LOCATED.

○ = SECTION & 1/4 SECTION CORNERS RE-ESTABLISHED USING SINGLE PROPORTION METHOD. (Not Set on the Ground).

COORDINATE LIST

POINT #	NORTHING	EASTING
37 - SW Cor. Sec. 33	57880.2514	54824.3288
40 - SW Cor. Sec. 34	57923.8032	60153.4578
41 - SW Cor. Sec. 35	57946.2309	65493.5725
43 - SE Cor. Sec. 36	57998.1366	76185.6496
58 - W1/4 Cor. Sec. 34	60550.5669	60175.1625

NOTE:

POINT NUMBERS IN THE ABOVE LIST REFER TO THE COORESPONDING NUMBERS AT VARIOUS SECTION CORNERS AS SHOWN HEREON.

CONOCO, INC.

Well location, SERAWOP # -38, located as shown in the SW 1/4 SW 1/4 of Section 34, T8S, R21E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 19EAM LOCATED IN THE SW 1/4 OF SECTION 34, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4685 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 5709
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
P. O. BOX 1758 - 85 SOUTH - 200 EAST
VERNAL, UTAH - 84078

SCALE 1" = 1000'	DATE 6-29-91
PARTY D.A. O.S. R.E.H.	REFERENCES G.L.O. PLAT
WEATHER HOT	FILE CONOCO, INC.

DRILLING PROGRAM
ATTACHMENT TO FORM 3160-3
CONOCO SERAWOP NO. 38

1. The geologic name of the surface formation: Uintah
2. The estimated tops of important geologic markers:

<u>Formation</u>	<u>TVD</u>	<u>Subsea*</u>
Top Green River Marlstone	2,108'	+2,585'
Base Green River Marlstone	2,993'	+1,700'
Green River "A" Sand	3,465'	+1,228'
Green River "A-1" Sand	3,622'	+1,071'
Green River "B" Sand	3,769'	+924'
Green River "D" Sand	4,807'	-114'
Green River "E" Sand	5,055'	-362'
Wasatch Top	5,470'	-777'
"A" Marker	5,587'	-894'
T.D.	7,200'	-2,507'

* Assumes KB Elevation = 15' (GL + KB = 4,693')

3. It is anticipated to encounter an oil and water bearing zone in the Green River formation. A gas and water bearing zone is anticipated in the Wasatch formation. The depths of these formations are listed in No. 2 above.

4. Proposed Casing Pattern:

0' to 60' - 16" O.D., 65#/ft., H-40, ST&C
0' to 500' - 8-5/8" O.D., 24#/ft., K-55, ST&C
0' to T.D. - 5-1/2" O.D., 17#/ft., K-55, LT&C

(All casing mentioned above will be new.)

5. Specifications for Pressure Control:

Our minimum specification for pressure control equipment will be 5,000 psi. The BOP will be function tested daily.

6. Proposed Circulating Medium

0' to T.D. - Salt saturated (steel pits) or an environmentally safe mud (earthen pits) system; low solid non-dispersed. Mud weight will be maintained between 9.3 to 10.0 lbs. per gallon.

NOTE: The environmentally safe mud system will consist of either a bio-degradeable "food product" polymer or a fresh water DAP (Diammonim phosphate) mud. Fluids from both systems could be safely buried in the reserve pit.

7. Auxiliary Equipment:

We will use kelly cocks, monitoring equipment on the mud system (if needed), and a sub on the floor with full opening valve.

8. Testing, Logging, Coring:

No cores are planned. The following logs will be run over the specified intervals. Possible SWC's or RFT's.

- a. Dual Laterolog with Gamma Ray from surface to T.D.
- b. Formation Density and Compensated Neutron log with Caliper. The Density-Neutron will be run over selected intervals of the Wasatch and Green River formations. The Caliper will be run from T.D. to the surface pipe.

9. Formation and Completion Interval:

Sand lens of the Wasatch completion interval: Perforate the casing.

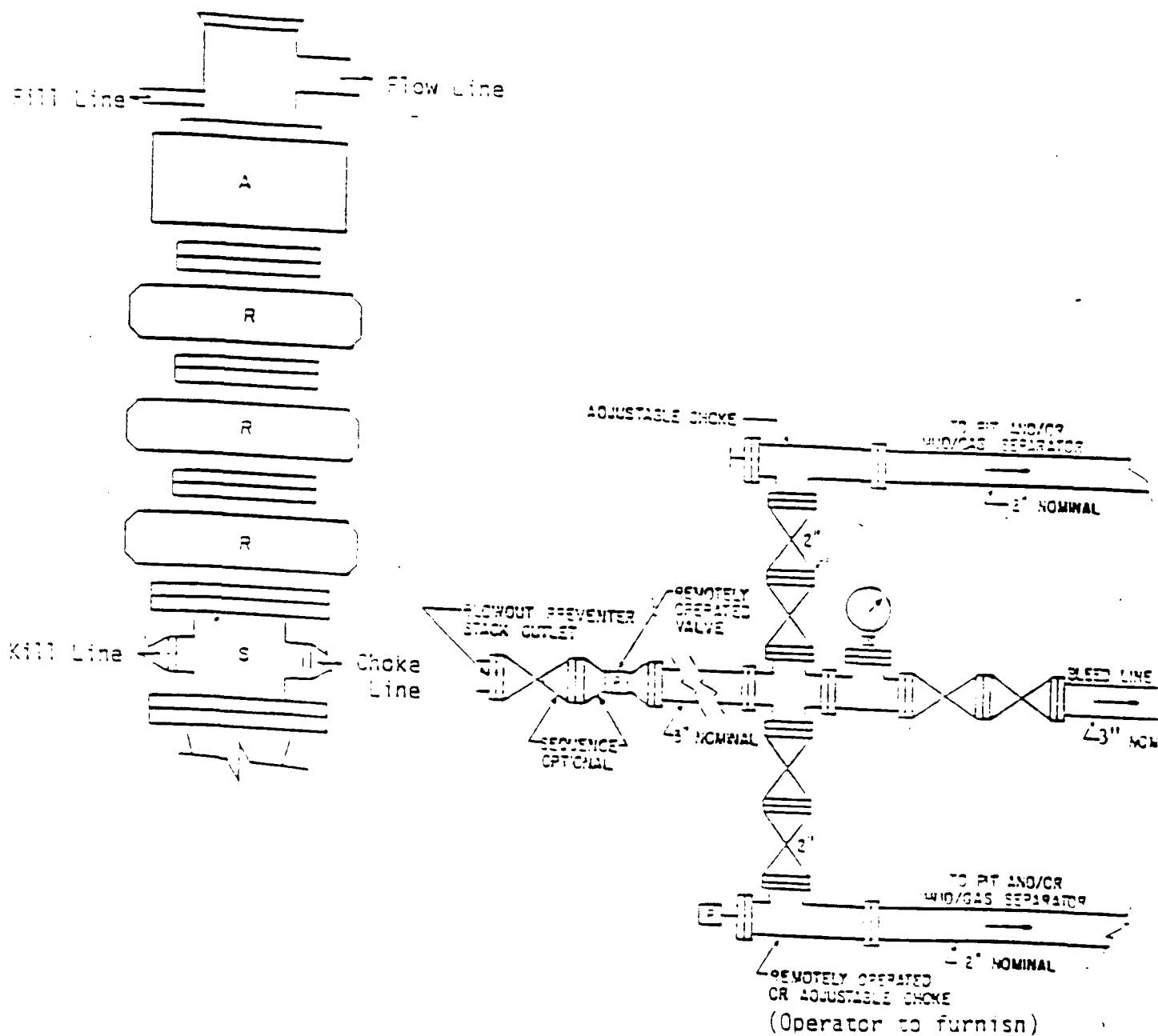
Sand Fracturing: 235,000 gallons gelled water, 500,000 lbs. sand.
(Actual volumes will vary with number of lenses encountered.)

10. Abnormal Pressures and Temperatures:

We do not anticipate any abnormal pressures or temperatures. BOP's will be used for control. Mud weight will be increased, if necessary, to insure adequate control. The anticipated maximum bottomhole pressure is 3,000 psi.

11. Starting Date and Duration:

We plan to spud the well by October 1, 1991 and expect drilling operations to last 20 days.



MINIMUM BOP STACK REQUIREMENTS

BOP STACK	5000 psi Working Pressure
Two Pipe Rams	
One Blind Ram	
One Annular	
Manifold	5000 psi Working Pressure

SERAWOP NO. 38

ATTACHMENT II TO FORM 3160-3
SERAWOP NO. 38

1. Existing Road:

See attached Topographic Map "A".

To reach Conoco Inc., well location for Serawop No. 38, located in Section 34, T8S, R21E, S.L.B.&M., Uintah County, Utah; proceed westerly out of Vernal, Utah along U.S. Highway 40, 14 miles to the junction of this road and Utah State Highway 209; proceed south along Utah State Highway 209, 7 miles more or less to the junction of this Highway and Utah Highway 88; proceed south along Utah State Highway 88, 10 miles to Ouray, Utah; proceed on south along a country road known as the Seep Ridge Road approximately 0.3 miles to its junction with an existing improved dirt service road to the east known as the Watson Road; proceed easterly along this improved road 4.3 miles to the point that it intersects an existing dirt service road to the east; proceed in an easterly direction along this road 3.0 miles to the point where it intersects an existing dirt service road to the south; proceed in a southeasterly direction along this road 0.1 miles to a point 300' from the proposed location. The remaining 300' will be a new access road.

The highways mentioned in the foregoing paragraph are bituminous surfaced roads to Ouray, Utah at which point the road is surfaced with native asphalt for the first 0.4 miles of road and then is gravel surface to the aforementioned service roads.

The aforementioned dirt oil field service roads and other roads in the vicinity are constructed out of existing native materials that are prevalent to the existing areas they are located in and range from clays to a sandy-clay shale material.

The roads that are required for access during the drilling phase, completion phase, and production phase of this well, will be maintained at the standards required by the BIA or other controlling agencies.

2. Planned Access Road:

See Topographic Map "B"

The proposed access road leaves the existing access road described in paragraph no. 1 in the SE 1/4 SW 1/4, Section 34, T8S, R21E, S.L.B. & M., and proceeds in a southwesterly direction approximately 300 feet to the proposed location site.

In order to facilitate the anticipated traffic flow necessary to drill and produce this well, the following standards will be met:

The proposed access road will be an 18' crown road (9' either side of the centerline) with a drain ditch along the river side of the proposed road where it is determined necessary in order to handle any run-off from normal meteorological conditions that are prevalent to this area.

Backslopes along the cut areas of the road will be 1-1/2 to 1 slopes and terraced.

An 18" diameter culvert will be placed under the road at point "A" for use during irrigation season.

The road will be centerline flagged prior to the commencement of construction.

Any fences that are encountered along this access road will be cut and replaced with a cattleguard with a minimum width of 18' and a loading factor large enough to facilitate the heavy trucks required in the drilling and production of this well.

A cattleguard will be located at the existing gate. It will be installed with the above requirements.

The access from the road to the gate will be of such a nature that there will be no impedance of traffic flow along the main access road and no difficulties encountered by traffic utilizing the gate either leaving or entering the proposed access road.

The road shall be upgraded to meet that standards of the anticipated traffic flow and all weather road requirements. Upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30' right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditched by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

Right-of-Way Application Needed. If a ROW is necessary for the access road, a copy of the ROW grant shall be with the dirt contractor during the construction and thereafter kept on location with the complete copy of the approved APD.

There will not be any turnouts. Maximum grade of this road is approximately 2%.

The Access Road Surface Ownership is the Ute Tribe.

3. Location of Existing Wells:

See Attached Exhibit.

4. Location of Existing and/or Proposed Facilities:

- A. On well pad, if the well is successfully completed for production, all lines will be installed above ground and insulated with the exception of the produced water line which will be buried. If a tank battery is constructed it will be located on a portion of the well pad elevated to meet BLM requirements. Tanks will be deadman anchored to withstand flood conditions.
- B. Off well pad facilities are not anticipated at this time, since the battery will be self-sustaining. If further facilities are required, Conoco Inc. will apply for approval of subsequent off well pad operations.

If a tank battery is constructed on this lease, the battery or the well pad will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within six months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

5. Location of Type of Water Supply:

Water will be pumped from the White River and piped to the proposed location. If necessary, water will be hauled by an approved trucking company. Appropriate permits for water will be obtained.

6. Source of Construction Materials:

All construction materials needed for this location and access road will be taken from existing pits. The appropriate permits will be obtained before construction begins.

7. Methods for Handling Waste Disposal:

Earthen reserve pits will be lined. Berms 6' tall or of sufficient height to withstand flood conditions, will be constructed to protect the pit. Environmentally safe drilling fluids will be used. Fluids will be allowed to evaporate from the pit. If necessary, additional fluid will be pumped out with any remaining fluids and solids to be buried in the pit.

A portable chemical toilet will be supplied for human waste.

Burning will not be allowed. All trash must be contained in a trash cage and hauled away to an approved disposal site at the completion of the drilling activities.

Produced waste water will be confined to a lined pit or storage tank for a period not to exceed 180 days after initial production to allow evaporation. During the 180 day period an application for approval of a permanent disposal method and location, along with required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

8. Ancillary Facilities:

There are no ancillary facilities planned for at the present time and none foreseen in the near future.

9. Well Site Layout:

See attached location layout sheet.

Topsoil will be left in place with fill brought in and compacted.

10. Plans for Restoration of Surface:

The abandoned well site, road, and other disturbed areas will be restored to near their original condition. This procedure will include: (a) re-establishing irrigation systems where applicable; (b) re-establishing soil conditions in irrigated fields in such a way as to insure cultivation and harvesting of crops, and (c) insuring revegetation of the disturbed areas to the specifications of the Ute Indian Tribe or the BIA at the time of abandonment.

11. Surface Ownership:

The surface is owned by the Ute Tribe.

12. Other Additional Information:

An Environmental Assessment has been conducted and the draft EA has been submitted for review.

If, during operations, any archaeological or historical sites, or any object of antiquity (subject to the Antiquities Act of June 8, 1906) are discovered, all operations which would affect such sites are to be suspended and the discovery reported promptly to the Surface Management Agency.

The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites or other applicable facilities. A list of noxious weeds may be obtained from the BLM, BIA, FS, or the appropriate County Extension Office.

Operator's employees, including subcontractors, will not gather firewood along roads constructed by operators. If wood cutting is required, a permit will be obtained from the Forestry Department of the BIA pursuant to 25 CFR 169.13 "Assessed Damages Incident to Right-Of-Way Authorization". All operators, subcontractors, vendors, and their employees or agents may not disturb saleable timber (including firewood) without a duly granted wood permit from the BIA Forester.

All roads constructed by operators on the Uintah and Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction. They will state: (a) that the land is owned by the Ute Indian Tribe, (b) the name of the operator, (c) that firearms are prohibited to all non-Ute Tribal members, (d) that permits must be obtained from the BIA before cutting firewood or other timber products, and (e) only authorized personnel permitted.

All wellsite locations on the Uintah and Ouray Indian Reservation will have an appropriate sign indicating the name of the operator, the lease serial number, the well name and number, the survey description of the well (either footages or the quarter-quarter section, the section, township, and range).

Additional Surface Stipulations for BLM, BIA, FS, DWR or Private Surface Lands:

The operator or his contractor shall contact the BLM and BIA Office at (801) 789-1362 (BLM) and (801) 722-2406 (BIA) between 24 and 48 hours prior to construction activities. Contact Gerald Kenczka or Ed Forsman.

13. Lessee's or Operators Representative and Certification Representative:

Jeff L. Anderson
Production Superintendent
851 Werner Ct.
Casper, WY 82601-1311
(307) 261-7800

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

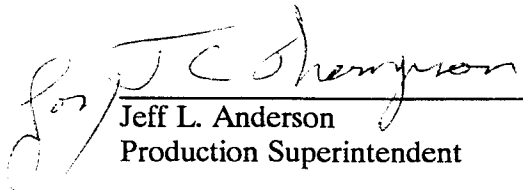
The dirt contractor will be provided with an approved copy of the Surface Use Plan from the APD.

ATTACHMENT II TO FORM 3160-3
SERAWOP NO. 38
PAGE SIX

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

Certification:

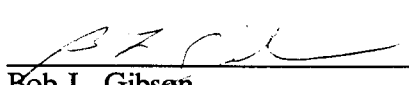
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and, that the work associated with the operations proposed here will be performed by Conoco Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Jeff L. Anderson
Production Superintendent

8-22-91

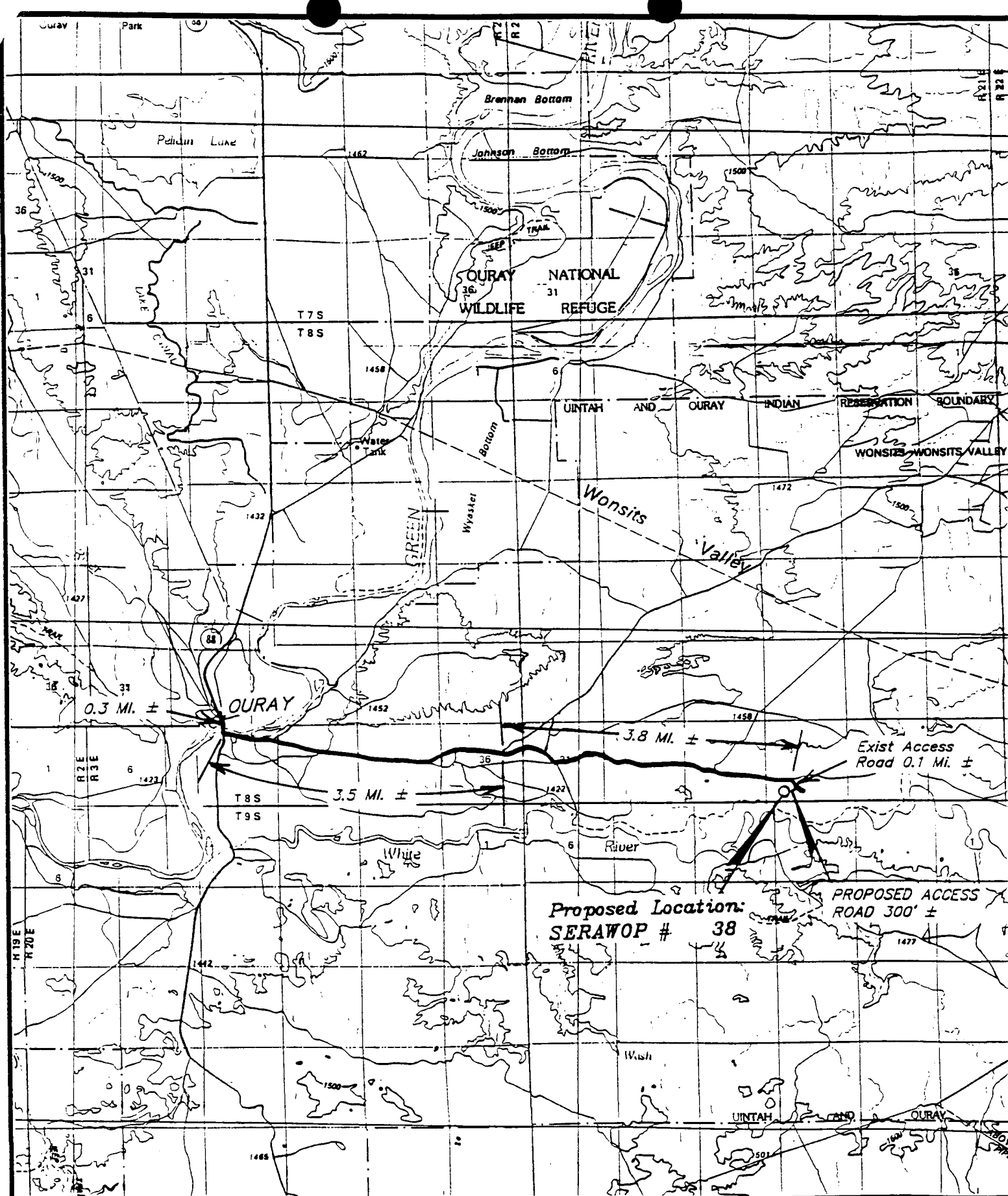
Date



Bob L. Gibson
Drilling Superintendent

8-22-91

Date



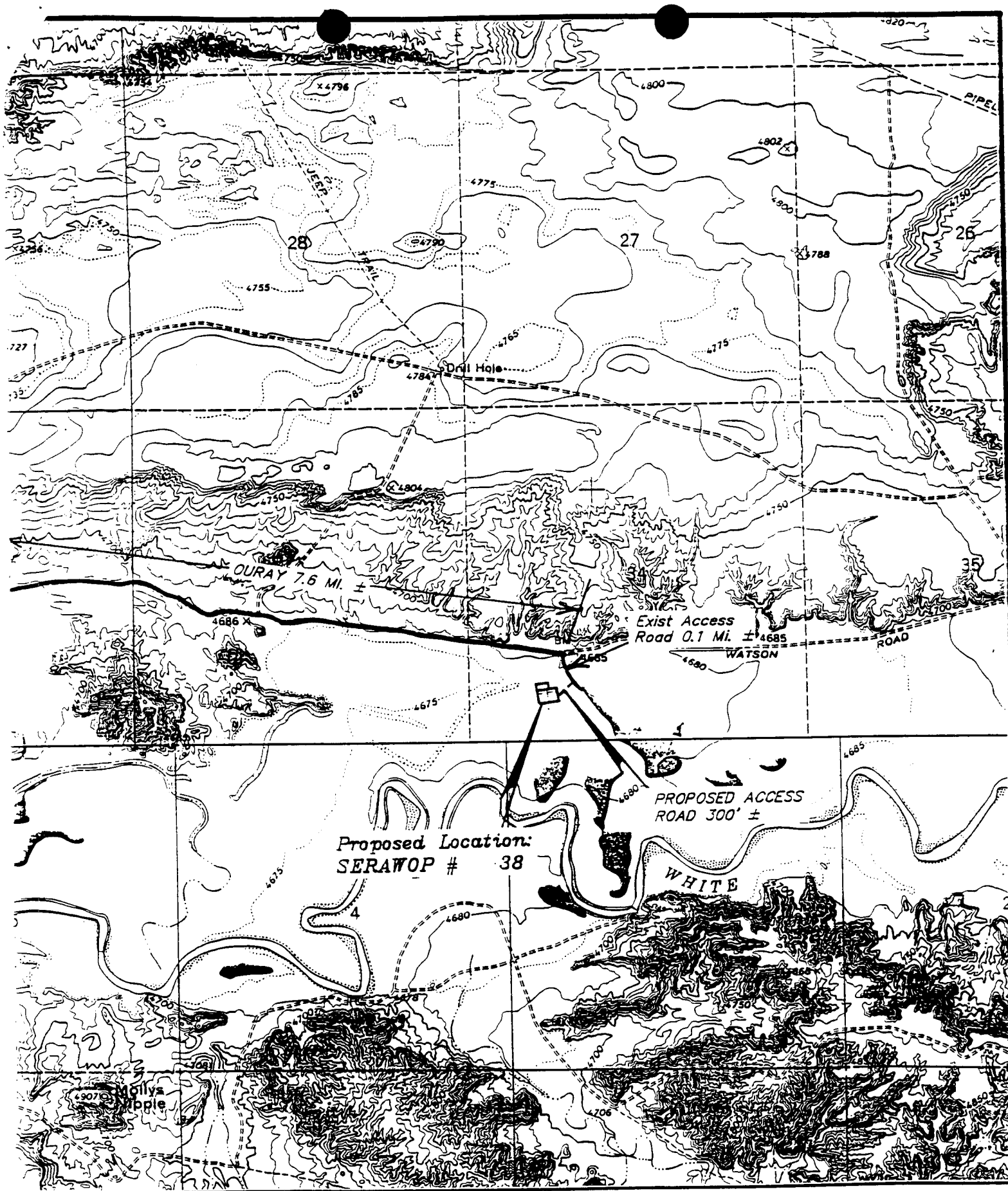
TOPOGRAPHIC
MAP "A"

DATE 6-28-91 R.E.H.



CONOCO, INC.

SERAWOP # 38
SECTION 34, T8S, R21E, S.L.B.&M.



TOPOGRAPHIC

MAP "B"

SCALE: 1" = 2000'

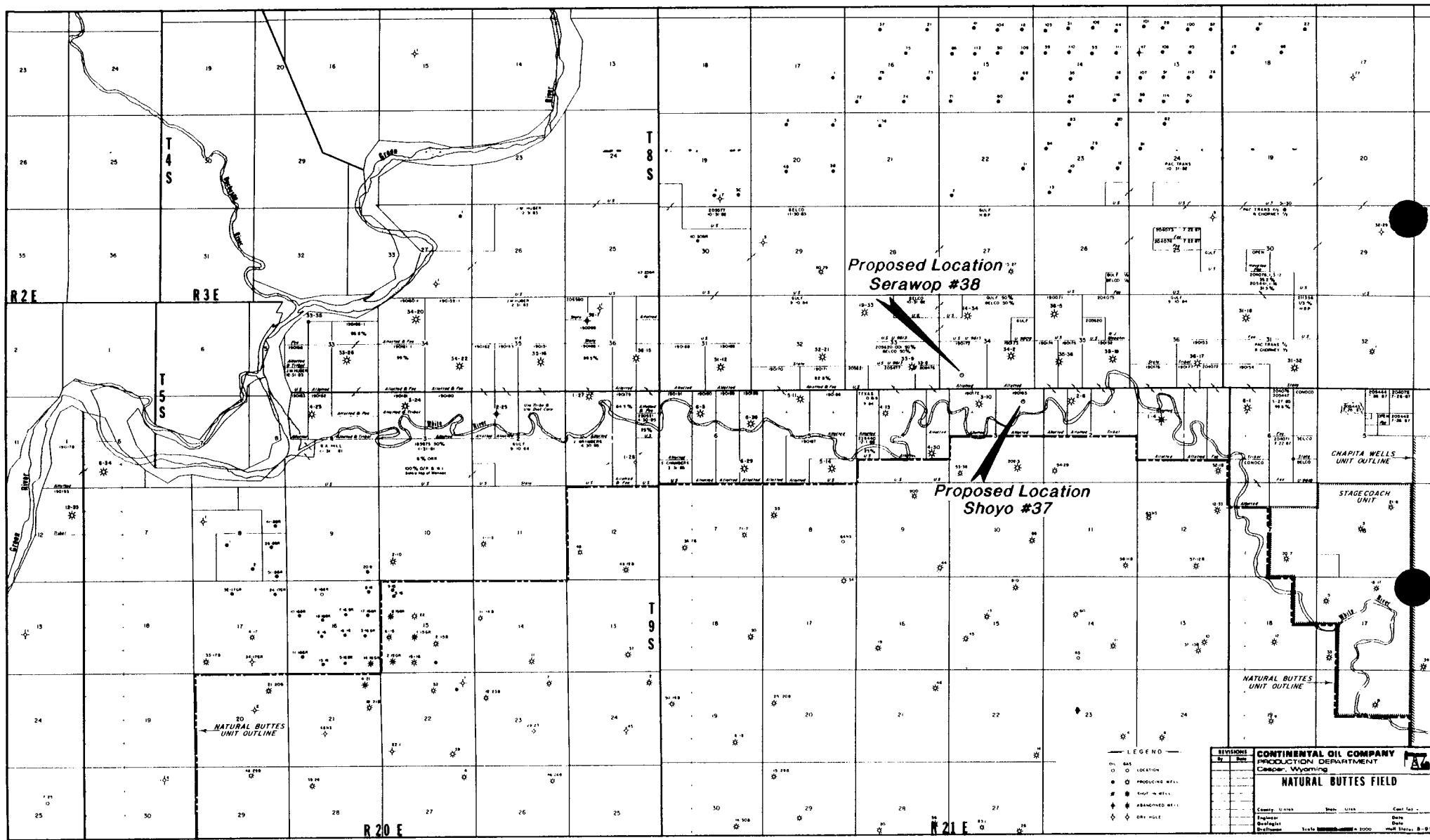
DATE 6-28-91 R.E.H.

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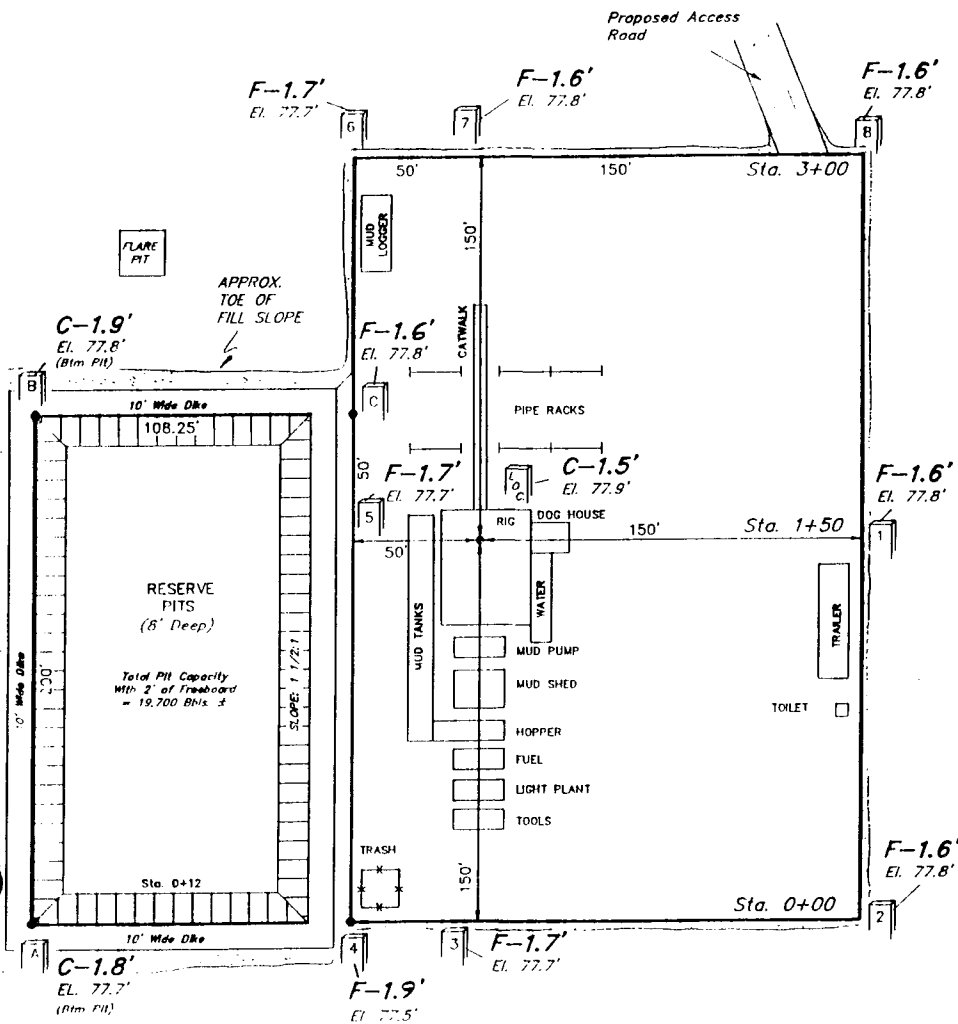
CONOCO, INC.

SERAWOP # 38

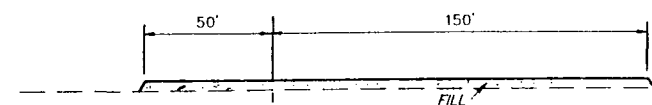
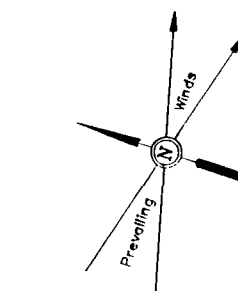
SECTION 34, T8S, R21E, S.L.B.&M.



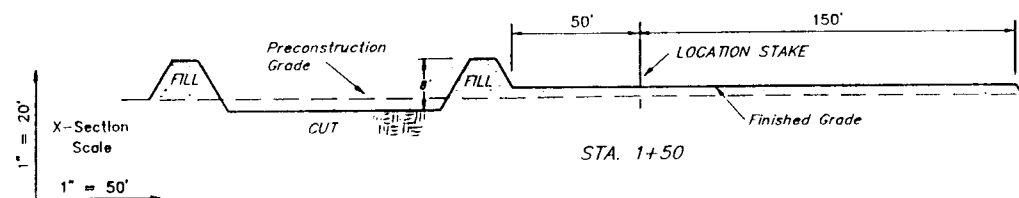
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SECTION 34, T8S, R21E, S.L.B.&M.



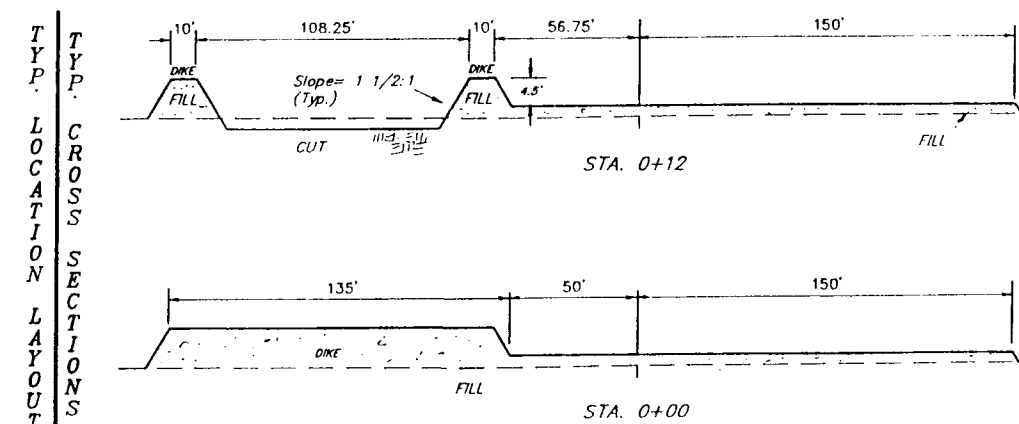
SCALE: 1" = 50'
DATE: 6-28-91
DRAWN BY: T.D.H.



STA. 3+00



STA. 1+50



STA. 0+12

STA. 0+00

TYP.	CROSS SECTIONS	TYP.	LOCATION LAYOUT
1	1	1	1
2	2	2	2
3	3	3	3
4	4	4	4
5	5	5	5
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7	7	7	7
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94	94	94	94
95	95	95	95
96	96	96	96
97	97	97	97
98	98	98	98
99	99	99	99
100	100	100	100

Elev. Ungraded Ground at Location Stake = 4677.9'

Elev. Graded Ground at Location Stake = 4679.4'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East Vernal, Utah

APPROXIMATE YARDAGES

TOTAL CUT = 1,080 Cu. Yds.

taken from The Bottom of Pitt

$$111 = 5,850 \text{ Cu. Yds.}$$

DEFICIT = 4,770 Cu. Yds.

IN THE MATTER OF THE APPLICATION)
OF CONOCO INC. FOR AN AMEND-) FINDINGS OF FACT
MENT TO THE 320-ACRE SPACING) AND ORDER
ORDER IN CAUSES NOS. 173-1 AND)
173-2, TO PERMIT AN OPTIONAL SEC-) DOCKET NO. 91-027
OND WELL IN CERTAIN LANDS IN THE)
OURAY FIELD OF UINTAH COUNTY,) CAUSE NO. 173-9
UTAH)

This Cause was Noticed by the Utah Board of Oil, Gas and Mining ("Board") for a hearing on August 1, 1991 in order for Conoco Inc. to give a report on recently drilled second wells and to show cause why additional optional wells should not be allowed for all 320-acre drilling and spacing units originally established by the Board's Order in Cause No. 173-1 dated February 22, 1978. Sitting for the Board were James W. Carter, presiding, Judy F. Lever, Kent G. Stringham, Jay L. Christensen, E. Steele McIntyre, John M. Garr and Raymond Murray, together with Thomas A. Mitchell, Utah Assistant Attorney General assigned to the Board. Also participating were Dr. Dianne R. Nielson, Director of the Utah Division of Oil, Gas and Mining; Ronald J. Firth, Associate Director for Oil and Gas; Frank R. Matthews, Petroleum Engineer; and Brad G. Hill, Petroleum Geologist. In attendance on behalf of the Bureau of Land Management

("BLM") were Robert Henricks and Assad Rafoul, Petroleum Engineers with the Utah State Office; and Jerry Kenska, Petroleum Engineer in the Vernal District Office.

Appearing as attorney for Conoco, Inc. was Robert G. Pruitt, Jr. of Pruitt, Gushee & Bachtell. Testifying on behalf of Conoco, Inc. were Julie D. Crumpler, Landman; Jack R. Uresk, Staff Geologist; and Fred Phillips, Production Engineer. There were no appearances or communications in opposition to the Order to Show Cause.

Based upon the testimony and evidence presented by Conoco, Inc. at the hearing, the Board makes and enters the following Findings of Fact and Order:

FINDINGS OF FACT

1. Due and proper notice was given to all interested parties, and the Board has jurisdiction to hear this matter and to make the findings and order set forth herein.

2. On February 22, 1978 the Board in Cause No. 173-1 established 320-acre drilling and spacing units for the Wasatch/Mesaverde formation for all or parts of 27 sections comprising the Ouray field in Uintah County, Utah. Most of said 27 sections are communitized on the basis of 320 acres each and the wells are operated by Conoco, Inc.

3. In 1984 (Cause Nos. 173-6 and 173-7) and 1989 (Cause No. 173-8), Conoco requested an optional second well for certain 320-acre drilling units, testifying at the respective hearing that one well did not appear to drain a full 320 acre unit because of complex geologic factors. The Board in each instance granted the requested optional

second well, but in the Order dated June 28, 1989 (Cause No. 173-8), the Board required Conoco to report back to it after the additional well had been drilled and show cause why the Board should not allow an additional optional well for all 320-acre drilling units established by Order in Cause No. 173-1.

4. By Notice dated July 8, 1991, the Board ordered Conoco to appear at a formal hearing on August 1, 1991 to report on the findings of the additional wells drilled to date, and show cause why an additional optional well should not be allowed for all of the 320-acre drilling units originally established by Order in Cause No. 173-1.

5. Conoco reported that the first optional additional well was the Black 6 #35, spudded March 31, 1990 in the N $\frac{1}{2}$ of Sec. 6, T9S, R21E. This well offsets the #6-3 and #6-29 wells in Sec. 6. Another optional additional well proposed for the NE $\frac{1}{4}$ of Sec. 3, T9S, R21E, was never drilled. The second optional additional well drilled was the Ankerpont #35-36 well in the SW $\frac{1}{4}$ of Sec. 35, T8S, R21E, which offsets the #35-5 and #35-19 wells in Sec. 35.

6. Due to delays involving surface permitting across Ute Indian lands for both well locations and for the production pipeline rights-of-way, only limited testing and production had been accomplished as of the August 1 date of the hearing. Information from both wells confirms the erratic, unconnected nature of the sandstone beds from which production in the Wasatch/Mesaverde formation is obtained. Geology, tests and

production data obtained from these additional wells supports the premise that one well is not generally capable of adequately draining a 320-acre drilling unit in the Wasatch/Mesaverde formation, due mainly to erratic geologic factors.

7. There does not appear sufficient cause why an optional additional well should not be authorized for each of the existing 320-acre spacing units for the Wasatch/Mesaverde formation as originally established by the Board's Order in Cause No. 173-1, provided that the operator of such drilling unit exercises the option to drill an additional well, based upon economic and geologic factors pertaining to each proposed location.

ORDER

Now, therefore, based upon the report of Conoco, Inc., and in the absence of any cause why an optional additional well should not be routinely authorized, the Board enters the following Order:

1. The Board's Order in Cause No. 173-1 is amended to authorize an optional additional well to be drilled in each 320-acre drilling and spacing unit for the Wasatch/Mesaverde formation within the following described lands:

Township 8 South, Range 20 East, SLM

Secs. 33-36: All

Township 9 South, Range 20 East, SLM

Secs. 1-4: All

Township 8 South, Range 21 East, SLM

Secs. 29-36: All

Township 9 South, Range 21 East, SLM

Secs. 1, 4-6: All

Secs. 2 and 3: N½

Township 8 South, Range 22 East, SLM

Secs. 30 and 31: All

Township 9 South, Range 22 East, SLM

Secs. 4-6: All

The option to drill such additional well shall be exercised by the operator of the 320-acre drilling and spacing unit, based upon said operator's evaluation of financial and geologic factors applicable to said proposed drill site.

2. The Wasatch/Mesaverde formation is defined as that interval below the stratigraphic equivalent of 4,772 feet down to and including the stratigraphic equivalent of 9,740 feet, as shown on the induction electrical log of the Chapita Wells Unit Well #5 located in the NE¼SW¼ of Sec. 22, T9S, R22E, SLM in Uintah County, Utah.

3. Each optional additional well shall be located in the center of the offsetting quarter section within such 320-acre drilling and spacing unit, with a tolerance of 660 feet

in any direction, but not less than 2,640 feet from other wells completed and producing from the Wasatch/Mesaverde formation.

4. This Board retains continuing jurisdiction over the matters covered by this Order, and over all parties affected thereby.

Entered this 1st day of August, 1991.

BOARD OF OIL, GAS AND MINING

By: 

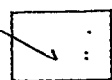
James W. Carter, Presiding

OPERATOR Conoco Inc. 1-0060 DATE 9-1-91
WELL NAME Unanop #38
SEC SWSW 34 T 85 R 01E COUNTY Utah

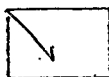
43-041-33093
API NUMBER

Indian (w)
TYPE OF LEASE

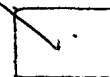
CHECK OFF:



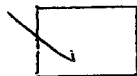
PLAT.



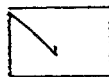
BOND



NEAREST
WELL



LEASE



FIELD
SLBM



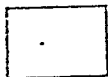
POTASH OR
OIL SHALE

PROCESSING COMMENTS:

falls within cause no guidelines
Water Permit

APPROVAL LETTER:

SPACING:

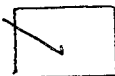


R615-2-3

N/A
UNIT



R615-3-2



173-9

8-1-91

CAUSE NO. & DATE



R615-3-3

STIPULATIONS:

Oil Shale

1- Needs water permit



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

September 9, 1991

Conoco, Inc.
851 Werner Court
Casper, Wyoming 82601

Gentlemen:

Re: Serawop #38 Well, 817 feet from the South line, 1256 feet from the West line, SW SW, Section 34, Township 8 South, Range 21 East, Uintah County, Utah

Approval to drill the referenced well is hereby granted in accordance with the Order in Cause No. 173-9 dated August 1, 1991, subject to the following stipulation:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Utah Code Ann. Section 73-3, Appropriation.

In addition, the following actions are necessary to fully comply with this approval:

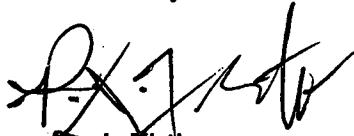
1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of Entity Action Form 6, within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
4. Prompt notification in the event it is necessary to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801) 538-5340, (Home) (801) 476-8613, or R. J. Firth, Associate Director, (Home) (801) 571-6068.
5. Compliance with the requirements of Utah Admin. R.615-3-20, Gas Flaring or Venting.

Page 2
Conoco, Inc.
Serawop #38
September 9, 1991

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Department of Environmental Quality, Division of Drinking Water/Sanitation, telephone (801) 538-6159.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-047-32093.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

tas
Enclosures
cc: Bureau of Land Management
Bureau of Indian Affairs
J. L. Thompson
we14/1-7

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: September 30, 1990

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

Lease Designation and Serial No.

14-20-H62-3009

If Indian, Allottee or Tribe Name

Uintah & Ouray

If Unit or Co. Agreement Designation

SUBMIT IN TRIPLICATE

Type of Well

☐ Oil ☒ Gas ☐ Well ☐ Other

Name of Operator

Conoco Inc.

Address and Telephone No.

851 Werner Ct. Casper, WY 82601 (307) 261-7800

Location of Well (Footage, Sec., T., R., M., or Survey Description)

817' FSL, 1,256' FWL (SW/SW)

Sec. 34, T8S, R21E SLB&M

Well Name and No.

Serawop No. 38

API Well No.

43-047-32093

Field and Pool, or Exploratory Area

Natural Buttes

County or Parish, State

Uintah, TU

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other

☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection

Self Certification Statement

(Note: Report results of multiple completion on Well Completion or
Recompletion Report and Log form.)

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Bond coverage pursuant to 43 CFR 3104 for lease activities associated with this well being provided by Conoco Inc. - Blanket Nationwide Bond No. 80151-16-69.

*Conoco is responsible under the terms and conditions of the lease for the operations on the lease.

RECEIVED

SEP 16 1991

**DIVISION OF
OIL GAS & MINING**

BLM-Vernal(3); UOGM(2); BWG; AFE File; BIA; Tribal Council

I hereby certify that the foregoing is true and correct

Signed *J. C. Thompson*

Title Administrative Supervisor

Date 9/11/91

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER ☐

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

CONOCO INC.

3. ADDRESS OF OPERATOR

851 WERNER COURT, CASPER, WYOMING 82601

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface

817' FSL, 1,256' FWL, (SW/SW)

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 7.8 miles east of Ouray, Utah

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

817'

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED TO THIS WELL

160

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

2,698'

19. PROPOSED DEPTH

7,200'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4,678' (ungraded) GR

22. APPROX. DATE WORK WILL START*

10/01/91

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
22"	16"	65.0	0'-60'	65 sacks Class "G" (Est.)
12-1/4"	8-5/8"	24.0	0'-500'	350 sacks Class "G" (Est.)
7-7/8"	5-1/2"	17.0	0'-TD	1,000 sacks Class "G" (Est.)

It is proposed to drill Conoco Serawop No. 38 as a Wasatch gas producer.

All appropriate logs will be run. A BOP will be installed and function tested daily.

A subsequent report will be submitted upon completion of the project. A completion rig will be used for completion operations, and all conditions of this application will apply during such operations.

Conoco Inc. has current and correct Corporate Qualifications on file in Cheyenne, Wyoming office of the Bureau of Land Management required by WY-2800-39 (April 1981) covering Right-of-Way requirements. Reference W-56943 dated May 14, 1981.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

[Signature]

TITLE

Administrative Supervisor

DATE

08/20/91

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

[Signature]

TITLE

ASSISTANT DISTRICT
MANAGER BLM

DATE

MAY 27 1992

CONDITIONS OF APPROVAL, IF ANY:

BLM-Vernal(3); UOGM(2); BIA(1) Tribal Council (1); AFE; BWG; LDJ

NOTICE OF APPROVAL

See Instructions On Reverse Side

CONDITIONS OF PERMIT TO OPERATE

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES GOVERNMENT
memorandum

DATE: MAY 12 1992

REPLY TO
ATTN OF: Superintendent, Uintah and Ouray Agency

SUBJECT: Concurrence Letter for Conoco, Inc.
Serawop #38, Sec. 34, T8S-R21E

TO: Bureau of Land Management, Vernal District Office
Attention: Mr. David Little

We recommend approval of the Application for Permit to Drill on the subject well.

Based on available information received on October 25, 1991, we have cleared the proposed location in the following areas of environmental impact.

YES	<u>X</u>	NO	_____	Listed threatened or endangered species
YES	<u>X</u>	NO	_____	Critical wildlife habitat
YES	<u>X</u>	NO	_____	Archaeological or cultural resources
YES	_____	NO	_____	Air quality aspects (to be used only if Project is in or adjacent to a Class I area of attainment)
YES	_____	NO	_____	Other (if necessary)

COMMENTS: See attached Bureau of Indian Affairs, Environmental Analysis for additional stipulations.

Attachment

CC: Brent L. Kramer, Englewood, CO

Division/Area	Initial	Assigned
DM	<i>[Signature]</i>	
PAO		
EIS		
ADM		
RES		
OPS		
MAY 13 '92		
BUREAU OF LAND MGMT. VERNAL, UTAH		
MIN		<input checked="" type="checkbox"/>
DM		
BC		
ALL EM		



OPTIONAL FORM NO. 10
(REV. 1-80)
GSA FPMR (41 CFR) 101-11.6
5010-114

RECEIVED

MAY 29 1992

DIVISION OF
OIL GAS & MINING

CONDITIONS OF APPROVAL FOR THE
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Conoco Inc.

Well Name & Number: Serawop 38

Lease Number: 14-20-H62-3009

Location: SWSW Sec. 34 T.8 S. R.21 E.

Surface Ownership: Indian

NOTIFICATION REQUIREMENTS

- | | | |
|---------------------------------|---|--|
| Location Construction | - | at least forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion | - | prior to moving on the drilling rig. |
| Spud Notice | - | at least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing | - | at least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests | - | at least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice | - | within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Company Conoco, Inc. Well No. Serawop 38

Location SWSW, Section 34, T8S, R21E Lease No. 14-20-H62-3009

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

The Vernal District Office shall be notified, at least 24 hours prior to initiating the pressure tests, in order to have a BLM representative on location during pressure testing.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Mahogany oil shale, identified at \pm 2,813 ft.

The Vernal District Office shall be notified at least 24 hours prior to the running and cementing of all casing strings, in order to have a BLM representative on location while running and cementing all casing strings.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

This well shall be drilled using a closed drilling mud system, i.e., all drilling and completion fluids shall be contained. The production system shall also be a closed system and the production tanks will be engineered and constructed so they will not float or capsize.

Prior to the commencement of drilling operations, you must submit a detailed copy of the drilling fluids program to the Superintendent of the Bureau of Indian Affairs (BIA), Uintah and Ouray Agency. Any alteration of the drilling mud program will also have to be submitted to the Agency.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) shall be utilized to determine the top of cement (TOC) for the production casing.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

Conoco must provide copies of the drilling log, mud log and all electric logs to the Superintendent of the BIA, Uintah and Ouray Agency on completion of the drilling activities.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The Vernal District Office shall be notified, during regular work hours (7:45 a.m.-4:30 p.m., Monday through Friday except holidays), at least 24 hours prior to spudding the well.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within thirty (30) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and within 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Gerald E. Kenczka	(801) 781-1190
Petroleum Engineer	

Ed Forsman	(801) 789-7077
Petroleum Engineer	

BLM FAX Machine	(801) 789-3634
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EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spend solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

MITIGATION STIPULATIONS

A. VEGETATION/LANDSCAPE

1. Landscape disturbance cannot be effectively mitigated at this time. However, before the site is abandoned, the company will be required to restore the well pad, access roads, and pipeline rights-of-way to near their original state. The disturbed area will be reseeded with desirable perennial vegetation and the seed will be covered with a weed free organic mulch.
2. Noxious weeds will be controlled on all well sites and rights-of-way. If noxious weeds spread from the well sites or rights-of-way, the company will also be responsible for their control. Giant whitetop is presently growing on this site. Therefore, Conoco, Inc. will only be required to control this plant on the well site and access road. They will not be required to control Giant Whitetop on lands surrounding the access road or well site.

B. SOILS/RANGE/WATERSHEDS

1. Soil erosion will be mitigated by reseeding all disturbed areas and by installing the following practices:
 - a. Production tanks will be engineered and constructed so they will not float or capsize.
 - b. All fluids used as additives in the drilling and production program will be properly contained to prevent leakage (containers such as 50 gal. barrels will be properly contained).
2. Salt and pollution loading of the soil and geological formations will be mitigated by requiring the oil company to:
 - a. Line reserve pits with impervious synthetic liners ____ yes X no
 - b. Use a closed drilling system X yes ____ no
 1. Reason(s): The closed drilling system is required because this well will be located on the floodplain and T&E species are reported to live in the White River.
 - c. Use a closed production system X yes ____ no
 1. Reason(s): The production system shall be closed because this well will be located on the floodplain and T&E species are reported to live in the White River.
 - d. Use a man-made container X yes ____ no
 1. Reason(s): In the past, it has been the practice of Conoco, Inc. to construct corrugated metal tanks to serve as emergency and blowdown pits. A similar pit will be acceptable for emergency and blowdown on this location providing: (a) it is leak proof, (b) the top of the CMP is set at an elevation of 1.0 foot above the 100 year flood occurrence for the White River floodplain, (c) the lid is constructed to be safe and sturdy so that it will support the weight of people and animals, (d) fluid elevations will be maintained in the tank at a level which will provide enough surplus capacity to contain emergencies and so the tank will not overflow.
 - e. Production water, oil, and other by-products will not be applied to roads or well pads for the control of dust or weeds. Indiscriminate dumping of oil field by-products on tribal lands will not be allowed.

3. When the well is plugged and/or abandoned, the gravel and road base hauled in to construct the well pad and access roads will be:

a. Hauled off ____ yes X no

4. Soil compaction of the well pads and roads will be mitigated by ripping (minimum depth 24").

C. WILDLIFE/VEGETATION/THREATENED & ENDANGERED SPECIES

1. Upon identification of Threatened & Endangered species, the following measures will be applied: A. There will be a closed drilling and production system. B. Production tanks will be engineered and constructed so they will not float or capsize. C. Additives used in drilling and production will be contained (fluids contained in barrels and other containers will not be allowed to leak on the soil surface.
2. Modifications to surface use will be implemented to protect the specific wildlife species encountered.

D. CULTURAL RESOURCES

All well sites, access roads, and pipeline rights-of-way will be cleared by a qualified archaeologist/paleontologist so that cultural sites will be avoided or salvaged.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal District Office
170 South 500 East
Vernal, Utah 84078

Phone (801) 789-1362

FAX (801) 781-4410

July 2, 1993



IN REPLY REFER TO:

3162

UT08438

Conoco Inc.
851 Werner Court
Casper, WY 82601

Serawop #38

Re: Notification of Expiration
Well No. 38 *43-047-32093*
Section 34, T8S, R21E
Lease No. 14-20-H62-3009
Uintah County, Utah

Gentlemen:

The Application for Permit to Drill the above-referenced well was approved on May 27, 1992. Since that date, no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Margie Herrmann
Legal Instruments Examiner

cc: State Div. OG&M



Exploration Production
Casper Division

Conoco Inc.
800 Werner Court
Casper, WY 82601-1311

12 July 93

RECEIVED

JUL 12 1993

Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078

DIVISION OF
OIL GAS & MINING

RE: Notification of Expiration, Well #38
BLM Letter dated 2 July 93, Reference Number 3162, UT08438

Sec. 34 T8S R21E
43-047-32093

Dear Sir:

Conoco Inc. is in agreement with you that the Application to Drill for this well has expired. At this time there is no intention of continuing with plans to drill this well.

The surface of this location was never disturbed by Conoco Inc; therefore, no rehabilitation of the area is necessary.

If you have any questions, or if you need additional information, feel free to contact me at (307) 261-7904.

Sincerely,

Lydia Phillips

Lydia Phillips
SHEAR Director

cc: State Div. OG&M



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

July 20, 1993

Conoco, Inc.
851 Werner Court
Casper, Wyoming 82601

Gentlemen:

Re: Well No. Serawop #38, Sec. 34, T. 8S, R. 21E, Uintah County, Utah
API No. 43-047-32093

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

Don Staley
Administrative Manager
Oil and Gas

DME/lde

cc: Bureau of Land Management - Vernal
R.J. Firth
Well file

WOI196

